



1620 Eye Street NW
Suite 1000
Washington DC 20006
Tel (202) 331 0415

P 12 - ABQ-960
49614

UNITED STATES ENERGY ASSOCIATION

UTILITY PARTNERSHIP PROGRAM

ANNUAL REPORT

FY 1997

**UNITED STATES ENERGY ASSOCIATION
UTILITY PARTNERSHIP PROGRAM**

**ANNUAL PROGRAM SUMMARY FOR FY 1997
AND
PROGRAM OUTLOOK FOR FY 1997**

The Utility Partnership Program has entered its seventh and final year of operation. In early 1997, the program received a one year "no-cost extension" from the U.S. Agency for International Development to continue its operations through September 30, 1998. The basis for the extension was that considerable work remained to complement a number of USAID strategic objectives, particularly for regional activities which were added to the program's scope of work in 1994. In addition, newer partnerships would benefit considerably from the opportunity to continue their collaborative relationships for another year.

With regard to FY 1997, the UPP continued implementation of activities, both regional and bilateral, in all ten countries. During quarterly steering committee meetings with U.S. partners a number indicated that with the restructuring of the U.S. utility industry at hand, many utilities would not be able to continue their historic level of involvement in the program. New England Electric System, for instance, is reorganizing to become a transmission/distribution company, selling all its generation facilities. With the challenges to managers accompanying these changes, NEES, as well as other utilities, was less able than in the past to conduct bilateral programs. As a result, the UPP focused its attention towards regional programs, reflecting more accurately the needs of USAID to foster regional integration relating to regulation, environment, and system reliability. The following summarizes the scope of these activities both for FY 1997 and FY 1998.

The UPP has continued to work with the Central Environmental Working Group (Poland, Hungary, Czech Republic, Slovakia), established by the UPP, to bring together key decision makers from each utility to improve the environmental performance of fossil fired power plants. As a result of its meetings with U.S. counterparts, the group determined that environmental management and emissions trading schemes would be the focus of discussions over the period 1997-98. With regard to system reliability, a number of activities took place in FY 1997 focusing on market driven principles of power marketing and pricing and the organization, management, and operation of power pools and independent system operators. Now that full integration of the Central network into the UCPTC (the West European grid system) is firmly within reach, the aim of these activities is to prepare the Central countries for economic integration into West European energy markets. The Central countries also participated in regulatory activities with a landmark symposium in Warsaw where government and utility representatives from all four countries met for the first time to share information and experiences regarding efforts to establish new regulatory bodies and to hear from U.S. regulators regarding the practice and function of regulation in the U.S.

For the Baltic region (Latvia, Lithuania, Estonia), regulation and ratemaking as well as finance and investment continue to be major issues, as both Latvia and Lithuania have been active in seeking to pass enabling legislation for both these initiatives and to increase foreign investments in the power sector. UPP continues to work closely with the Baltic Regional Energy Development Program, a coordinated program of activities focusing on finance and investment led by USAID with substantial involvement of the World Bank and the European Bank for Reconstruction and Development. With regard to regulation, activities abroad and in the U.S. focused on comparing and contrasting various rate making methodologies. In FY 1998, the regional program for the Baltics will continue to focus on issues relating to attracting foreign investment in the context of the upcoming privatization of utilities in the region.

Focus areas for the Southern Tier (Romania, Bulgaria, and the Former Yugoslav Republic of Macedonia) for the first time, in FY 1997, focused on environmental performance as it relates to finance, technology evaluation, plant management and efficiency, and rehabilitation. As countries in this region vie for membership in West European organizations, improved environmental performance and system reliability, made possible with assistance from investors and lenders, will be key to formal acceptance. The region also continued its focus on regulatory issues, bringing together key government and utility representatives to discuss fundamental elements of economic regulation. In FY 1998, bilateral rather than regional programs will be of key concern, to enable resources to hone in and keep up with the rapid pace of restructuring and reform of the power sector. Key regarding issues will be interactions with independent power producers and third party access for Bulgaria and finance, rate making, and regulation for Romania.

USEA is also developing new initiatives for the UPP after the conclusion of the program in Houston at the 17th World Energy Congress in September, 1998. The program is pursuing the establishment of an Institute for Electricity Systems Management to provide management training to Central and East European energy executives, including government and regulatory agencies as well as regional power pooling organizations. The purpose of such an institute is to assist the region's electric power sector to keep pace with the rapid economic and structural changes occurring in the industry, as well as to enhance opportunities for foreign investment. Key topical areas would focus on power market operation and regulation, finance and investment, and environment and efficiency, as well as others.

Having to date received concurrence and support for the establishment of the institute from both partners in the U.S. and their counterparts in the region, UPP is submitting to USAID a formal proposal to fund seed money to establish the institute. Additional funding is expected from multilateral development banks, corporate foundations, equipment manufacturers, among others in addition to in-kind contributions from U.S. and Central and East European utilities.

CENTREL REGION

POLAND

HUNGARY

CZECH REPUBLIC

SLOVAK REPUBLIC

**Utility Partnership Program
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POLAND

I. SUMMARY AND RESULTS

Polish Power Grid Company (PPGC) continued to participate actively in both regional and bilateral activities. In its partnership with Commonwealth Edison, PPGC continued its long-term efforts to develop a core group of specially trained human resource development managers. Through two follow-up seminars on this topic this past fiscal year and three in previous years, PPGC has been successful in establishing its own human resources development department and in issuing a newly revised personnel policy handbook, using that of ComEd as a guide. This effort culminated in the delivery of an in-depth workshop on human resources management for PPGC's most senior corporate officers.

Other topics PPGC focussed on included power marketing, independent system operators, transmission asset management, and transmission and distribution through an internship with the Electric Power Research Institute. Because of the unique nature of these topics, the activities were conducted by practitioners with direct, day-to-day experience in these topical areas, rather than by PPGC's partner. PPGC hopes to use the information gained during these activities to assist it in preparing for the implementation of the new Energy Law which will eventually lead to open access transmission throughout Poland. PPGC intends to remain competitive not only in Poland itself, but also within the wider European energy market. Likewise, the management of transmission assets will be key if PPGC is to remain competitive outside its borders. Finally, procurement issues were addressed in a seminar in Warsaw to assist PPGC in better managing its resources.

In addition, PPGC participated in a number of regional programs focusing on environmental, regulatory, and system reliability related issues. As a member of the Central Environmental Working Group, a forum UPP initiated for the Central countries to discuss regional environmental issues, PPGC participated in activities relating to emissions trading allowances, environmental compliance, and integrated resource planning.

In January, PPGC hosted the first Central regional regulatory symposium which brought government/regulatory representatives together with utility specialists to review recent experience with new regulatory requirements in the region and to hear about similar initiatives in the U.S. PPGC participated in a follow-up regulatory exchange visit in July to discuss with U.S. regulators first hand the changes taking place in the U.S. power sector. Finally, consistent

with PPGC's interest in power marketing and ISOs, PPGC participated in a seminar which focused on the regulation and economics of system integration where participants discussed the feasibility of regional open market system for the Central countries and heard about new developments in the U S regarding pricing and open access transmission

II ACCOMPLISHMENTS

Bilateral Activities

1 Power Plant Production Seminar October 22-26, 1996 - Warsaw

As a follow-up activity to the Power Plant Rehabilitation Internship in Chicago, the two PPGC plant managers who participated in that internship jointly conducted this seminar with their ComEd counterparts. The seminar focused on how utilities guarantee system performance at all times, while assuring consistency, quality, adequacy and economy of electricity supply. Additional topics included overview of the magnitude of the fossil change effort, competitive action plan, leadership style and teaming concept required to support the change.

2 Orientation Visit on Electric Distribution Company Commercialization for Ukrainian Local Electric Companies - Gliwice November 18-22, 1996

Like Ukraine, Poland has restructured its vertically integrated utility system in 1993. Polish electric distribution companies have had the benefit of several years of experience developing corporate and commercial procedures within a transitional national economy. This has contributed to making Poland a model for electric utility restructuring in Central and Eastern Europe. Representatives from the Ukrainian Local Electric Companies (LEC's) traveled to distribution company in Gliwice to examine its experience in developing new management systems and procedures, and accounting systems designed to foster a more commercial mode of operation. The objectives of this exchange visit was to examine (a) programs used by the Gliwice distribution company to improve its relations with its customers, including measurements of energy consumption, tracking of payments, assistance with collections, (b) connection between a western oriented accounting system and the ability to improve accounts receivable, (c) changes in staffing and staffing levels that were required to improve Gliwice's commercial operation, (d) plans for privatization (e) further collaboration, if warranted, between the LEC's in Ukraine and the Gliwice distribution company.

3. Power Marketing Executive Exchange Visit

April 27-May 3, 1997 - U S

This activity, focusing on power pricing and marketing, power trading risks, and power trading techniques, helped train Polish electric power managers in market-based methodologies of selling power so as to be competitive in the newly emerging European power markets. Senior level managers from both distribution companies and power plants visited Central Vermont Public Service Corporation in Vermont, Northeast Utilities Service Company in Connecticut, and PECO in Pennsylvania to discuss various aspects of power marketing such as pricing, marketing strategies and reliability concerns.

Participants

- 1 Jaroslaw Blotny, Specialist, Energetyka Poznanska
- 2 Tomasz Korcz, General Director, Polish Power Grid Company
- 3 Bozena Kozak, Deputy Director, Upper Silesian Distribution Company
- 4 Wojciech Kulagowski, Director, Polish Power Grid Company
- 5 Tadeusz Matys, Chief Engineer, CHP Gdansk
- 6 Marian Pawlowski, Project Manager, Polish Power Grid Company
- 7 Jerzy Strzelbicki, Specialist, Polish Power Grid Company
- 8 Kazimierz Szynol, Director, Laziska Power Plant

4 Human Resources Seminar

May 5-9, 1997 - Warsaw

The purpose of this seminar was to continue to develop the capability of the human resources department at PPGC, initiated by Commonwealth Edison Company in FY 1995. This seminar provided in-depth information regarding clarification of employee expectations, implementation of successful performance planning and review meetings, provision of appropriate feedback through the review process, assessment of performance against agreed-upon results, and motivating employees effectively. This seminar was tailored to the current needs of PPGC supervisors and managers. In addition, ComEd representatives conducted a one-day briefing for Board members at PPGC, so that they could be knowledgeable of and support any changes in PPGC human resources policies and procedures.

Participants

45 senior and mid-level human resources managers from Polish Power Grid Company

5 Transmission Asset Management Seminar
May 13-15, 1997 - Warsaw

This seminar, implemented by J A Jones Power Delivery and Duke Power, assisted PPGC in increasing the level of employee knowledge and efficiency in managing transmission assets. The seminar focused on transmission system and component evaluation, asset utilization, inspection, and maintenance, non-traditional revenue opportunities, and cost-effective reliability planning. The long-term goal of this seminar was to assist PPGC in lowering its costs of transmitting power across the grid, both domestically, and across international borders, leading to lowered rates for customers.

Participants

43 senior and mid-level transmission managers from Polish Power Grid Company

6 Procurement Executive Exchange Visit
June 22-28, 1997 - U S

Six managers from PPGC traveled to Chicago for a one-week program hosted by Commonwealth Edison Company to view first hand the full spectrum of the procurement process in use at Com Ed. The purpose of this visit was to assist PPGC in providing transmission services for the least cost. Topics covered during this activity included development of requests for proposals, evaluation of bids, invoicing systems, and materials management.

Participants

- 1 Malgorzata Domanska, Department Manager, Polish Power Grid Company
- 2 Andrzej Dziechciarz, Director, Procurements, Polish Power Grid Company
- 3 Antoni Hyczak, Specialist, Polish Power Grid Company
- 4 Jan Osik, Head of Protection Department, Polish Power Grid Company
- 5 Tadeusz Ruszczykowski, Polish Power Grid Company
- 6 Anna Sas, Senior Commercial Specialist, Polish Power Grid Company

7 Independent System Operator Seminar
September 9-11, 1997 - Warsaw

The purpose of this seminar was to assist the Polish Power Grid Company to prepare for compliance with the new energy law, which stipulates the development of new power marketing as well as expected privatization. Topics covered included ISO structure, responsibilities, management, and power pricing from the perspective of each of the regions represented by the speakers. Representatives from the Ohio Public Utilities Commission, New England Power Exchange, California ISO, and Oregon General Electric, representing INDEGO, conducted this seminar which focused on the regulatory framework for establishment of ISO's in the U S.

Participants

41 senior and mid-level managers from Polish Power Grid Company

8 EPRI Transmission and Distribution Internship

September 17-October 17, 1997 - U S

Six senior level managers, three from PPGC and two from distribution companies and one from a company working directly with PPGC and EPRI on collaborative projects, spent three weeks at the Electric Power Research Institute in Palo Alto, California. Meetings were held with EPRI representatives from groups involving Power Delivery, Customer Systems, Environmental and Power Markets, Grid Operation and Planning, Distribution Systems and Generation, to discuss the most recent priorities of U S electric utilities. The Polish representatives also attended the quarterly EPRI Business Council Meeting in Phoenix, Arizona to gain a greater understanding of how EPRI conducts business with its clients as well as internally. The purpose of this internship was to enhance the benefits, derived from PPGC's membership in EPRI and to foster a opportunities for additional cooperation in the future.

Participants

- 1 Artur Gluszek, Research and Development, Polish Power Grid Company
- 2 Krzysztof Kus, Standardization, Zaklad Energetyczny, Gliwice,
- 3 Jaroslaw Popowski, Computer Science, Polish Power Grid Company
- 4 Wojciech Rakowiecki, Reorganization and Privatization, Zaklad Energetyczny, Torun
- 5 Ogierd Skonieczny, Vice President, Energoprojekt Consulting, S A , Warsaw
- 6 Magdalena Wasiluk-Hassa, Strategy Coordinator, Polish Power Grid Company

III Future Plans

As a result of personnel changes at Commonwealth Edison, the formal partnership between the two utilities has ended.

PPGC will continue to be involved in future bilateral and Centrel-related activities of which there are several in the FY 1998 Workplan. These activities continue to center around compliance-related environmental issues, specifically, utility environmental management practices and emissions allowance trading experience.

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HUNGARY

I. SUMMARY AND RESULTS

MVM Rt continued to participate actively in both regional activities and bilateral activities. Bilateral activities between MVM Rt and its partner New England Power Company will continue until the conclusion of the Utility Partnership Program in September, 1998.

II ACCOMPLISHMENTS

Bilateral Activities

1 Telecommunications Executive Exchange Visit
March 31-April 15, 1997 - U S

Four senior representatives responsible for telecommunications from MVM Rt participated in this activity. MVM Rt is in the process of upgrading its telecommunications system. The purpose of this week-long program was to give the managers responsible for upgrading this system an introduction to the telecommunications systems used in electric utilities in the U S. The program included visits to electric utilities, vendors and distributors. Topics covered during the visit included the organization and structure of telecommunications networks in a U S utility, digital network systems, transmission principles of EMS / SCADA Interconnecting LAN and WAN systems, the application and future of PLC systems and mobile radio systems. Site visits were also made to dispatching centers, substations and power plants.

III. FUTURE PLANS

MVM Rt will continue to be involved in future bilateral and Centrel-related activities of which there are several in the FY 1998 Workplan. These activities continue to center around compliance-related environmental issues, specifically, utility environmental management practices and emissions allowance trading experience.

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CZECH REPUBLIC

I SUMMARY AND RESULTS

CEZ has continued to participate actively in regional activities since its U S partner, Houston Lighting and Power, declined to participate in the partnership as a result of senior level management changes. In particular, CEZ's participation in the Environmental Working Group has consistently involved its most senior environmental managers, indicating the high priority CEZ places on environmental issues. In fact, through loans from the World Bank and financing acquired by equipment suppliers, CEZ has achieved emissions compliance in 50% of its fossil powered power plants and has detailed plans to bring all of its power plants into full compliance with the Czech Clean Air Act, which mandates prescriptive standards more stringent than those of the European Union. It is anticipated that participation in such activities will assist Czech Republic in its bid to join the European Union.

With regard to system reliability, CEZ now holds the Chairmanship of CENTREL, the regional grid system, and has actively participated in UPP activities involving power pools, independent system operators, and power marketing. Understanding how these players interact is key to the achievement of CENTREL's full integration with the West European grid system, UCPTE. Participation in these activities will also help CEZ to achieve success in actively participating in the upcoming liberalization of the West European energy markets.

Finally, with regard to regulation, the Czech government has been relatively slow to implement regulatory oversight of the electric power industry. However, repeated dialogue with regulators and others involved in reform-oriented initiatives in Hungary and Poland through UPP regional regulatory programs may stimulate internal debate regarding the need for restructuring and reform of the electric power sector in the Czech Republic. As the Czech government seeks to reform and privatize its power sector, understanding the experience of its neighbors as well as that of the U S will be helpful in developing a workable strategy to accomplish these goals effectively and in establishing incipient regulatory bodies.

II. ACCOMPLISHMENTS

Bilateral Activities

1 Regulatory Executive Exchange Visit December 1-12, 1996 - U S

This visit provided key representatives from the Ministry of Industry and Trade, Ministry of Finance, CEZ, Prague Electric Company, TransGas, USAID/ Prague and the Czech Bar Association with focused information regarding regulatory framework of the U S electric power sector. Specific areas that were of interest to the delegation related to the methodology for price calculations for different classes of service, accounting systems for regulated and non-regulated activities, financial and technical data required by state regulatory bodies, elements of a competitive energy sector, and effective regulation in a market economy. The purpose of the visit was to promote reform of the electric power sector, and to encourage the establishment of a regulatory structure.

During its visit to the U S , the delegation met with the Federal Energy Regulatory Commission, Massachusetts Department of Public Utilities, New England Power Pool, New England Electric Service, Maine Public Utilities Commission, Edison Electric Institute, Minnesota Public Utilities Commission, Northern States Power, Illinois Commerce Commission, Merrill Lynch, Standard & Poor's, Prudential Securities, New York Stock Exchange and Central Maine Power Company. This activity was implemented jointly by Bechtel Consulting and USEA.

Participants

- 1 Pavel Brychta, Ministry of Industry and Trade
- 2 Petr Kacvinsky, Ministry of Industry and Trade,
- 3 Josef Antos, Ministry of Industry and Trade,
- 4 Vit Sponer, Ministry of Industry and Trade,
- 5 Jana Furstova, Director of Price Department, Ministry of Finance,
- 6 Jan Vacik, Board of Directors, CEZ
- 7 Ludmila Petranova, Board of Directors, CEZ
- 8 Dr Vit Horacek, Member of the Czech Bar Association
- 9 Drahomir Ruta, Prague Electric Company
- 10 Zdenek Vles, Prague Electric Company
- 11 Marta Ptackova, TransGas

III. FUTURE PLANS

CEZ will continue to be involved in future Centrel-related activities of which there are two in the FY 1998 Workplan. These activities continue the UPP's focus on environmental compliance specifically related to emissions controls. In early spring, utility managers will visit, along with their counterparts in the Centrel countries, U.S. utilities with differing strategies for environmental compliance and monitoring during the Centrel Environmental Management Executive Exchange Visit. In Warsaw in early summer, both government and utility representatives from Czech Republic will meet with their counterparts from the other Centrel countries to discuss the implementation of allowance trading policies in the region during the Centrel Regional Environmental Roundtable on Emissions Allowance Trading.

The Utility Partnership Program and CEZ's involvement in the program will formally conclude at the 17th Congress of the World Energy Council in Houston, Texas, September 1998.

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SLOVAK REPUBLIC

I. SUMMARY AND RESULTS

Slovenske Elektrarne, a s (SE a s) has continued to participate actively in regional activities

II. ACCOMPLISHMENTS

Bilateral Activities

1 Energy Efficiency Workshop
March 18-20, 1997 - Bratislava

This workshop was attended by approximately forty managers from integrated resource planning, demand side management and environmental protection departments at SE a s , as well as representatives from selected distribution companies, the Energy Inspection Office, the Ministry of Economy, and the Ministry of Environmental Protection. The purpose of this workshop was to assist SE a s in its efforts to achieve savings from energy efficiency initiatives, and to reduce the cost of electricity for end-users. A team of speakers from Planergy, Houston Lighting and Power, Central and Southwest Corporation, Lower Colorado River Authority, Purdue University and Megdal Associates gave presentations on energy efficiency technologies (supply and demand side), legislation and policy promoting energy efficiency, case studies of utility DSM programs and evaluation methodologies, IRP and strategic planning case studies, and low-income energy efficiency programs.

III FUTURE PLANS

SE a s will continue to be involved in future Centrel-related activities of which there are two in the FY 1998 Workplan. These activities continue to center around compliance-related environmental issues, specifically, utility environmental management practices and emissions allowance trading experience.

CENTREL REGIONAL ACTIVITIES

1 Centrel Power Pooling Technical Exchange Visit November 12-22, 1996 - U S

This technical exchange involved visits to several U S utility power pools, control rooms, dispatch centers, and power marketers to demonstrate to senior level utility executives how these organizations cooperate in the U S to provide the most economically efficient sources of power on a consistent and reliable basis. Discussions during this exchange visit were designed to continue the flow of information transferred at the Regional Pricing Workshop for Interconnected Systems held in Budapest, February 26-28, 1996. The purpose of this activity was to provide a forum for discussion among the members of CENTREL regarding the establishment of an affiliated regional power pooling organization or network, and in so doing, achieve the strategic goal of economic cooperation with UCPTE, the West European grid system.

Facilities visited included the Mid-Continent Area Power Pool, the Southern Company Regional Control Center, Consolidated Edison, New York Power Pool, New England Electric Power Pool (NePool), Connecticut Valley Electric Exchange, and Pennsylvania, New Jersey and Maryland Power Pool (PJM).

Participants

Poland

- 1 Barbara Suwinska, Manager, Electricity Tariffs Sector, PPGC
- 2 Jacek Ratz, Head of Department, Interchange Scheduling, PPGC

Hungary

- 3 Zoltan Barocsi, Deputy Head, Power Plant Operation, National Control Center
- 4 Zoltan Tihanyi, Expert, National Control Center
- 5 Agnes Horvath, Expert, Export-Import of Electricity

Czech Republic

- 6 Miroslav Vlcek, Director of Strategic Planning Department, CEZ
- 7 Miroslav Sumpik, Head of Office of Director, Central Electric Dispatch Center
- 8 Karel Sehor, Member of the Czech Parliament

Slovak Republic

- 9 Jaroslav Kubinec, Technician, Slovenske Elektrarne
- 10 Stefan Ficek, Dispatcher, Slovenske Elektrarne
- 11 Otomar Strelka, Specialist, Slovenske Elektrarne

2 Centrel Environmental Compliance and Auditing Technical Exchange Visit
December 3-12, 1996 - U S

This visit followed two workshops conducted in FY 1996 regarding how U S utilities implement environmental compliance and auditing systems, and the role of corporate environmental stewardship. The visit offered senior environmental managers from the Centrel countries an understanding of how U S utilities comply with increasingly stringent Federal and State environmental emissions requirements. The purpose of the visit was to assist these utilities as they create similar environmental management systems in preparation for compliance with new domestic and international environmental standards, and eventually, acceptance into the European Union. Representatives of the Centrel Environmental Working Group visited several U S electric utilities to view first-hand the compliance and auditing methodologies discussed during the previous two workshops.

Utilities visited included Cinergy Corporation, Duke Energy, Southern Company Services and New York State Electric and Gas. Each utility discussed its own corporate environmental strategy and philosophy, the relevant management structures designed to implement these strategies, and the compliance and auditing procedures these utilities are required to follow. Site visits were made to several generation facilities to demonstrate various compliance technologies in use.

Participants

Poland

- 1 Mieczyslaw Kwiatkowski, Chief Specialist, Power Generation Planning, PPGC
- 2 Adam Gajda, Senior Specialist, Environmental Protection, PPGC
- 3 Andrzej Szymczyk, Specialist, Environmental Protection, PPGC

Hungary

- 4 Robert Rakics, Head, Air Pollution Control Department, Ministry of Environment
- 5 Vilmos Civan, Head, Environmental Department, MVM Rt
- 6 Eva Kaszane Takacs, Expert, Environmental Department, MVM Rt

Czech Republic

- 7 Bohuslav Brix, Director, Environmental Department, Ministry of Environment
- 8 Tamara Spilkova, Head, Environmental Department, CEZ
- 9 Jaromir Stehlik, Specialist, Environmental Department, CEZ

Slovak Republic

- 10 Andrej Hanzel, Director, Environment, Slovenske Elektrarne
- 11 Peter Bobula, Head, Environmental Protection Department, Slovenske Elektrarne
- 12 Elena Michaeli, Environmental Manager, Slovenske Elektrarne

3 Central/Eastern European Natural Gas Business Development Roundtable December 4-6, 1996 - Prague

This Roundtable was organized by the American Gas Association in partnership with the Czech Gas and Oil Association, and was sponsored by USAID, the Export-Import Bank and Overseas Private Investment Corporation. The purpose of this roundtable was to convene a meeting of natural gas transmission and distribution company CEO's and other senior executives, senior U S

government officials, and CEE energy ministers to discuss areas of mutual interest regarding potential investments in the regions natural gas industry

During the meeting, energy ministry and other government officials, gave brief statements on their countries' latest developments in the natural gas sector. Senior officials of gas enterprises in these countries were also invited to make brief presentations on their companies' activities. Private meetings for further discussions and exchange of views were scheduled for the last day of the roundtable.

4 Central Regulatory Symposium January 29-31, 1997 - Warsaw

This activity represented the first regional regulatory activity for the Central region. The purpose of this symposium was for new and future regulators and government representatives from the Central countries to exchange information regarding regulatory reform in each of the Central countries, and to form collaborative relationships for continued dialogue. Participants also learned about electric power regulation in the U S and the impact of structural reform occurring in the U S electric utility industry. These discussions focused on how utility regulation is practiced in the U S as well as on new developments in utility regulation and reform in the Central countries.

Speakers from the U S included state public utility commissioners from Massachusetts, Oregon and Ohio, a representative from the Federal Energy Regulatory Commission, representatives from Pennsylvania Power and Light, PacifiCorp and the Edison Electric Institute.

Participants

Slovak Republic

- 1 Peter Carackiev, Dipl. Ing., Slovak Energy Inspection
- 2 Karol Dvorak, Dipl. Ing., Ministry of Economy
- 3 Juraj Kmosena, Head of Division, Slovenske Elektrarne
- 4 Dusan Lozek, Strategy Manager, Slovenske Elektrarne
- 5 Peter Moravicky, Specialist, Slovenske Elektrarne
- 6 Marko Novak, Slovenske Elektrarne
- 7 Peter Prochazka, Dipl. Ing., Ministry of Economy
- 8 Dusan Slamka, Head of Department, Slovenske Elektrarne
- 9 Iveta Wrubelova, Dipl. Ing., Ministry of Economy

Czech Republic

- 1 Vladislav Jech, Head of International Cooperation, CEZ
- 2 Vit Sponer, Engineer, Ministry of Industry and Trade
- 3 Miroslav Sumpik, Ing , UED - Central Dispatch Center
- 4 Miroslav Vrba, Ing , CEZ

Hungary

- 1 Mihaly Korodi, Expert, MVM Rt
- 2 Gyorgi Medgyesi, MVM Rt
- 3 Dr Laszlo Popovics, Director for General Affairs, MVM Rt
- 4 Dr Tibor Tersztyanszky, Energy Office

Poland

- 1 Zbigniew Bicki, President, Polish Power Grid Company
- 2 Mieczyslaw Chalupka, Economic Director, Bielkso-Biata CHP
- 3 Jaroslaw Dybowski, Deputy Director, Electricity Trading Department, PPGC
- 4 Konstanty Fiodorow, Member of the Board, Warsaw CHP
- 5 Andrzej Kadzielawa, Chief Specialist, National Power System Control Centre, PPGC
- 6 Teresa Kierpiczow, Deputy Director, Electricity Trading Department, PPGC
- 7 Malgorzata Klawe, Director, International Strategy Department, PPGC
- 8 Stawomir Krystek, Director, Economic Society Polish Power Stations
- 9 Stanislaw Kubacki, Chairman of the Board, Slupsk Distribution Company
- 10 Wlodzimierz Lewandowski, Chief Specialist, PPGC
- 11 Wladyslaw Mnich, Chairman of the Board, Walbrzych Distribution Company
- 12 Bronislaw Nowinski, Head of Commercial Department, PPGC
- 13 Andrzej Pazda, Director, Polish Power Transmission and Distribution
- 14 Bogumila Pazio, Chief Specialist, Electricity Trading Department, PPGC
- 15 Ryszard Rabiega, Chairman of the Board, Zamosc Distribution Company
- 16 Leszek Rojczyk, Head of Division, Rybnik Power Plant
- 17 Janusz Ryk, Director, Polish Association of Professional Head and Power Plants
- 18 Krzysztof Slomka, Specialist, Rybnik Power Plant
- 19 Andrzej Szablewski, Advisor, Energy Restructuring Group, Ministry of Economy
- 20 Maciej Szadkowski, Chief Specialist, Economic Society Polish Power Stations
- 21 Jerzy Watroba, Chairman of the Board, Bedzin Distribution Company
- 22 Marek Zerka, Director of the Corporate Strategy, PPGC
- 23 Sylwester Zyla, Chief Engineer, Rybnik Power Plant

5 **Centrel Regulation and Economics of System Integration Seminar** February 17-19, 1997 - Budapest

This seminar was the capstone of two related activities conducted in FY 1996. One, the Regional Workshop on Pricing for Interconnected Systems, explored the organization and function of power pools, pricing of energy and power transactions, and power marketing. The Power Pooling Technical Exchange Visit provided in-depth access to power pool organizations, including software applications, and exposure to utility power marketing operations. The purpose of this seminar was to provide utility managers with responsibility for system interconnection and trade with a sample of alternative power pooling and independent system operator arrangements currently operating and/or under consideration in the United States.

Representatives from New England Power Pool, PECO Energy and Portland General Electric Company reviewed the economics of system integration, particularly as it applies to the sale of electricity within and across state boundaries and abroad, deregulation in the U.S., FERC Orders 888 and 889, and the federally mandated information system, OASIS. In addition, seminar participants discussed the role of an integrated grid system such as Centrel, and its operation with regard to the new regulatory environment and privatization efforts underway in its member countries.

Participants

Hungary

- 1 Dr. Zoltan Barocsi, Deputy Head of Dept. for Short Term Planning, MVM Rt
- 2 Gabor Decsi, Chief Dispatcher - Network and P/P Control, MVM Rt
- 3 Zoltan Feleki, Expert, Intersystem Cooperation, MVM Rt
- 4 Laszlo Galambos, Manager, Intersystem Cooperation Department, MVM Rt
- 5 Dr. Karoly Gerse, Head of Department, MVM Rt
- 6 Agnes Horvath, Expert, Export-Import, MVM Rt
- 7 Agota Wolffne Kabor, Expert, Medium Term Planning, MVM Rt
- 8 Andras Kacsco, Deputy Head of Section - Corporate Operations, MVM Rt
- 9 Mihaly Korodi, Expert, International Cooperation, MVM Rt
- 10 Ferenc Kovacs, Senior Advisor for Electricity Licensing
- 11 Eva Hajagosne Lassner, Expert - Informatics, MVM Rt
- 12 Anna Lauber, MVM Rt
- 13 Erika Markus, Expert - Energy Accounting, MVM Rt
- 14 Gyorgy Medgyesi, Expert, Export-Import, MVM Rt
- 15 Dr. Erika Nemeth, Legal Advisor for Electricity Licensing, Hungarian Energy Office
- 16 Andras Turoczi, Electric Engineer, MVM Rt
- 17 Aniko Reviczky, MVM Rt
- 18 Jozsef Sandor, Head of Department, MVM Rt - Property Management Directorate
- 19 Peter Simig, Head of Department for Short Term Planning, MVM Rt
- 20 Dr. Gabor Szorenyi, Deputy Director for Electricity Licensing, Hungarian Energy Office
- 21 Peter Tarczy, Deputy Head of Intersystem Cooperation Department, MVM Rt
- 22 Dr. Tibor Tersztyanszky, Senior Advisor for Electricity Licensing, Hungarian Energy Office

- 23 Zoltan Tihanyi, Expert, Power Plant Economy, MVM Rt
- 24 Arpad Vajdovich, Senior Advisor for Electricity Licensing, Hungarian Energy Office

Czech Republic

- 25 Zdenek Danielovsky, Director of Commercial Section, CEZ a s
- 26 Bohumil Kohoutek, Director of Section Balance of Electricity, CEZ a s
- 27 Alena Navratilova, Director of Economy, Transmission System Division, CEZ a s
- 28 Vojtech Szalo, Specialist of Central Dispatch Center, Central Dispatch Center
- 29 Karel Vinkler, Head of Dispatch Control, Transmission System, CEZ a s
- 30 Miroslav Vlcek, Director, Strategic Planning, CEZ a s

Slovak Republic

- 31 Peter Gabris, Network Calculation, SE a s
- 32 Andrej Hanzel, Technical Director, SE a s
- 33 Peter Horvath, Specialist for Transmission of Energy, SE a s
- 34 Dusan Janak, Specialist, International Cooperation in Economy, SE a s
- 35 Jaroslav Kubinec, Network Maintenance Training, SE a s
- 36 Dusan Lozek, Strategic Manager, SE a s
- 37 Anton Masar, Deputy Finance Director, SE a s

Poland

- 38 Jerzy Dudziu, Head of Dispatching Division, PPGC
- 39 Radzio Ireneusz, Director, Energy Accounting and Control Center, PPGC - National Dispatching Center
- 40 Teresa Kierpiczow, Deputy Director, Electricity Trading Department, PPGC
- 41 Pawek Panek, Head of Division, Production Programming, PPGC
- 42 Grzegorz Wozniak, Manager, Transmission Programming, PPGC
- 43 Danuta Wronikowska, Head of Pricing Division, PPGC

6 Central Emissions Allowance Trading Executive Exchange Visit
March 3-13, 1997 - U S

This visit follows two workshops on different aspects of allowance trading conducted in Budapest and Warsaw in 1996. In Budapest, Central participants met with representatives from a U S utility, the U S Environmental Protection Agency, and an emissions trading company to discuss the U S emissions allowance trading program and to participate in a simulated allowance trading exercise. Central representatives then participated in a workshop conducted by the Harvard Institute for International Development in Warsaw which focused on opportunities for the implementation of an allowance trading program in Eastern Europe.

The purpose of this visit was to provide an in-depth focus on the experience of the U S emissions allowance trading program for SO₂ emissions. The participants met with representatives from U S utilities, the U S Environmental Protection Agency, an emissions trading company, and state environmental offices.

Participants

Poland

- 1 Wieslaw Pawliotti, Department of Energy and Environment, Ministry of Economy
- 2 Wanda Barc, National Resources and Forestry Department, Ministry of Environmental Protection
- 3 Adam Gajda, Senior Specialist, Environmental Protection, PPGC
- 4 Janusz Wojcik, Manager, Environmental Protection, Jaworzno Power Plant
- 5 Adam Bober, Specialist, Selling of Energy, Rybnik Power Plant

Hungary

- 6 Bela Nemeth, Vice President, Hungarian Energy Office
- 7 Robert Rakics, Head, Air Pollution Control Department, Ministry of Environment
- 8 Vilmos Civin, Head, Environmental Department, MVM Rt
- 9 Geza Deak, Mechanical Engineer, MVM Rt
- 10 Zoltan Tihanyi, Expert, Operational Planning, MVM Rt

Czech Republic

- 11 Erik Geuss, Director, Economic Department, Ministry of Environment
- 12 Jan Krenk, Member of the Board of Directors, CEZ
- 13 Miroslav Vrba, Head, Business Environment Department, CEZ
- 14 Tamara Spilkova, Head, Environmental Department, CEZ
- 15 Bohuslav Stehlik, Specialist, Environmental Department, CEZ

Slovak Republic

- 16 Gabriella Fiserova, Head of Department, Air Protection, Ministry of Environmental Protection
- 17 Tomas Varro, Head of Regional Inspection, Slovak Inspectorate of Environment
- 18 Elena Michaeli, Head of Department, Environmental Protection, Slovenske Elektrarne
- 19 Peter Kubacka, Department of Environment, Slovenske Elektrarne
- 20 Ivan Galo, Head of Division, Ecology, Waste and Water Management, Slovenske Elektrarne

- 7 **World Energy Council Regional Workshop on the Economics of Improving Electric Power Performance**
May 19-21, 1997 - Prague

The purpose of this workshop was to provide an opportunity for power plant managers from the Central and Southern Tier regions and Russia and who are responsible for the performance of fossil-fired generation plants, to meet with their counterparts from the U S and Western Europe, as well as Africa and Asia, for the purpose of the exchange of information regarding methodologies for improving power plant performance and availability. Presentations focused on measures conducted at fossil plants in these regions to improve plant availability rates, thermal efficiency, fuel usage, environmental control technologies, and to obtain project financing. This activity was implemented in conjunction with the World Energy Council's Committee on the Performance of Thermal Generating Plants and was in part hosted by CEZ.

8. Chief Executive Officer Executive Exchange Visit

June 9-13, 1997 - U S

The purpose of this visit was for the chief executive officers (CEOs) from CEE electric utilities to discuss with their counterparts in the U S issues of mutual concern regarding the strategic management and operation of privately-owned electric power companies. The CEOs attended the Edison Electric Institute's Annual Convention in Philadelphia, Pennsylvania where both global and national issues regarding industry restructuring, deregulation, and finance were discussed. After the convention, the Slovak and Hungarian delegates visited PECO Electric Company in Pennsylvania to discuss open transmission access, and Moody's and Smith Barney in New York City to discuss rating requirements and investment opportunities. The Polish delegation also visited Moody's and Smith Barney, but also came to Washington, DC to meet with USAID representatives, and attended a briefing by USEA and Hagler Bailley. The Bulgarian delegates visited PECO Electric Company and Central Maine Power in Maine, their U S utility partner.

Participants

Poland

- 1 Pawek Kuraszkiwicz, Vice President, Polish Power Grid Company
- 2 Marek Zerka, Director of Corporate Strategy, Polish Power Grid Company

Slovak Republic

- 3 Dusan Ondrus, Executive Director of the Office of the Board of Directors, SE a s
- 4 Dusan Janak, International Cooperation Specialist, SE a s

Hungary

- 5 Gyula Kiraly, Director of Economics, Hungarian Power Line Company
- 6 Peter Tarczy, Deputy Director of Intersystem Cooperation, MVM Rt

9. Central Regulatory Executive Exchange Visit

July 19-August 1, 1997 - U S

This activity was a follow up to the Regional Regulatory Symposium in Warsaw, January 29-31, 1997. The visit focused on the industry restructuring process in the U S, particularly as it pertains to the role of federal and state regulators, open access transmission, and electric utility options and strategies under the new rules of competition. USEA invited six representatives from each of the Central countries, two from the electric utility sector and four from governmental agencies to participate in this exchange visit. Delegates traveled to San Francisco to meet both in formal and informal settings with public utility commissioners at the NARUC (National Association of Regulatory Utility Commissioners) Summer Meeting. These meetings provided opportunities for the exchange of information between regulators in the U S and their new counterparts in the Central countries. While in San Francisco, participants also met with the California Public Utility Commission to discuss the economic, political, and social conditions which provided the impetus for regulatory reform of the state's electric utility industry.

Following the program on the West Coast, the group traveled to Pennsylvania and Ohio for meetings with Public Utility Commissioners, electric utility executives, and governmental officials in those states regarding restructuring issues. Particular mention was made regarding how coal-related environmental issues have impacted utilities and customers in the region in the context of restructuring. In Pennsylvania, the delegation discussed the scope and role of social assistance programs mandated by the PUC as a result of reform efforts. The last two days of this visit took place in Washington, D C where participants met with representatives from the U S Agency for International Development and others to discuss future program opportunities. The delegation also participated in a USEA member briefing and reception where representatives from each of the Central countries made brief presentations regarding current regulatory restructuring efforts.

Participants

Poland

- 1 Wieslaw Wojcik, Deputy, Polish Parliament
- 2 Elzbieta Nowakowska-Siwinska, Coal, Gas and Electric Utilities, Energy Market Agency
- 3 Jan Dolowy, Energy Tariffs and Pricing, Energy Market Agency
- 4 Hanna Sobczak, Deputy Director, Energy Department, Antimonopoly Office
- 5 Marek Zerka, Director, Strategy Office, Polish Power Grid Company
- 6 Wlodzimierz Lewandowski, Manager, Polish Power Grid Company

Hungary

- 7 Ferenc Horvath, Vice President, Hungarian Energy Office
- 8 Arpad Vajdovich, Chief Consultant for Electricity Licencing, Hungarian Energy Office
- 9 Barma Szeman, Head of Bureau for Energy Industry, Office of Economic Competition
- 10 Ferenc Csikos, Advisor for Electricity Pricing, Hungarian Energy Office
- 11 Emoke Kistot, Assistant to the Vice President, Hungarian Energy Office
- 12 Dr Attila Molnar, Head of Legal Affairs Department, MVM Rt
- 13 Dr Karoly Gerse, Head of System Planning Department, MVM Rt

Czech Republic

- 14 Vaclav Exner, Deputy, Parliament of the Czech Republic
- 15 Josef Sntily, Electricity Regulation, Ministry of Industry and Trade
- 16 Vaclav Wagner, Price Regulation, Ministry of Finance
- 17 Ludmila Petranova, Board of Directors, CEZ
- 18 Jarmila Ponikelska, Legal Department, CEZ
- 19 Zdenek Danielovsky, Electricity Trading, CEZ

Slovak Republic

- 20 Jozef Urmin, Energy Policy and Regulation, Ministry of Economy
- 21 Iveta Wrubelova, Pricing Policy, Ministry of Economy
- 22 Maria Svobodova, Regulation of Energy Conservation, Power Research Institute
- 23 Peter Prochazka, Pricing Policy, Ministry of Economy
- 24 Peter Moravicky, Senior Advisor, International Cooperation, Slovenske Elektrarne
- 25 Dusan Lozek, Strategy Manager, Slovenske Elektrarne

10 Centrel Integrated Resources Planning Workshop
August 5-7, 1997 - Bratislava

This three day regional seminar was designed to review the various methodologies U S utilities have utilized in developing and implementing integrated resource plans. Representatives of a U S utility, regulatory and planning organizations discussed case studies of the IRP process with lessons learned regarding outcomes of the process. In addition, Dan Peaco of La Capra Associates and Dimcho Kanev of NEK gave a presentation on the UPP/Central Maine Power Loaned Executive Program regarding the work that was done in the area of IRP with NEK. A representative from each of the Centrel countries gave a presentation regarding the current status of IRP in their respective countries.

SOUTHERN TIER REGION

ROMANIA

BULGARIA

FYR MACEDONIA

**Utility Partnership Program
Annual Report
FY 1997 Activities**

ROMANIA

I. SUMMARY AND RESULTS

RENEL continued to participate actively in both regional activities and bilateral activities. Bilateral activities between RENEL and its partner Mississippi Power Company will continue until the conclusion of the Utility Partnership Program in September, 1998.

II ACCOMPLISHMENTS

Bilateral Activities

**1 Power System Planning Executive Development Activity
September 28-October 9, 1996 - U S**

Mr Anton Vladescu, Director, Energy System Development Studies and Manager for Least Cost Planning, RENEL, participated in a one week course sponsored by Power Technologies, Inc entitled, "Power System Planning in a Competitive Environment." The course addressed market analysis and forecasting, institutional and financial issues, technical considerations in planning studies, and least cost planning in a competitive environment. After the course, Mississippi Power Company hosted a follow-up visit to assist RENEL with improving its least cost planning methods as a component of its long-term development plan. Mr Vladescu then traveled to Washington, D C to meet with USAID to discuss the current reform efforts in Romania's power sector.

2 Power Generation and Rehabilitation Executive Exchange Visit

March 16-21, 1997 - U S

This activity, in support of RENEL's efforts to rehabilitate the power sector infrastructure, allowed two RENEL representatives, Octavian Pavnotescu and Anton Vladescu, to present their research on turbine retrofits at the 22nd International Technical Conference on Coal Utilization and Fuel Systems. The two then traveled to meet with their colleagues at Mississippi Power Company to discuss RENEL's planned rehabilitation projects and plans, and to tour Plant Watson. Afterwards, in Washington D C, the representatives discussed with USAID and the World Bank RENEL's future plans and the company's long-term goal of restructuring.

Participants

- 1 Octavian Pavnotescu, Senior Counselor for Development and Rehabilitation, (RENEL)
- 2 Anton Vladescu, Deputy Director for Studies, Research and Engineering, (RENEL)

3 Contract Negotiations Executive Exchange Visit

March 17-21, 1997 U S

This executive exchange was designed to allow six RENEL representatives, and one labor organization representative learn more about how contracts are developed and negotiated at U S utilities. The goal of this activity was to assist RENEL in creating a team of foreign trade experts who will be instrumental in the implementation of the identification and evaluation of vendors, procurement methodologies, negotiation methods, project tracking, materials management systems, and developing and maintaining vendor relationships. RENEL indicated that it intends to develop future business opportunities as a result of its meeting with Stone and Webster. For the visit, a course was especially designed by the American Education Institute, and additional visits were organized by USEA with Reid and Priest, K&M Engineering, and Stone and Webster Engineering.

Participants

- 1 Petre Stroe, Head of the Office for Resources Import, Foreign Affairs Department, RENEL
- 2 Gheorghe Goran, Head of the office for Fuel Import, Foreign Affairs Department, RENEL
- 3 Mariana Vatamanu, Senior Engineer, Foreign Affairs Department, RENEL
- 4 Gheorghe Miutu, Head of Marketing Office, Group for Studies, Research and Engineering, RENEL
- 5 Ion Zarnescu, Senior Engineer, Office for Imports, Production Group, RENEL
- 6 Constantin Buia, Department Head of Commercial Office, Group for Transport and Distribution, RENEL
- 7 Mircea Ionel Dobrin, General Director of the Romanian Employer Federation for the Energy Branch (ELPEGA), RENEL

4 SCADA/EMS Executive Exchange Visit
May 12-20, 1997 - U S

This activity enabled five managers from RENEL to gain further knowledge concerning Supervisory Control and Data Acquisition (SCADA) and Energy Management System (EMS) equipment and software and new approaches used for system upgrades. The visit included attendance at the IEEE 20th International Conference on Power Industry Computer Applications where the delegates met with numerous vendors and observed the latest SCADA/EMS technologies. Afterwards, the group traveled to Mississippi Power Company to see first-hand the operation of SCADA and EMS systems at a U S electric utility. The group then traveled to Birmingham, Alabama to see how these systems operate within a power pool, at Southern Company Services. The visit covered the following topics: the interface between the utility dispatching and control centers and corporate offices, transmission asset hardware and software systems, SCADA/EMS implementation, maintenance and system operation, strategic development of information systems, and automatic generation control (AGC) software.

Participants

- 1 Ion Oprea, Director of Operations, RENEL
- 2 Ion Nedelcu, Director of Equipment, RENEL
- 3 Ion Ignat, Head of the Division for Information Systems Design and Implementation, RENEL
- 4 Gheorghe Apetrei, Head of Information Center, RENEL
- 5 Cristinel Bogdan Barbelescu, head of the EMS/SCADA & MIS Division, Group for Energy Transmission and Distribution, RENEL

III. FUTURE PLANS

RENEL will continue to be involved in future bilateral and Southern Tier-related activities of which there are several in the FY 1998 Workplan. These activities continue to center around compliance-related environmental issues, specifically, utility environmental management practices and emissions allowance trading experience.

**Utility Partnership Program
Annual Report
FY 1997 Activities**

BULGARIA

I SUMMARY AND RESULTS

NEK continued to participate actively in both regional activities and bilateral activities. Bilateral activities between NEK and its partner CMP International will continue until the conclusion of the Utility Partnership Program in September, 1998.

II. ACCOMPLISHMENTS

Bilateral Activities

1 Customer Service Executive Exchange Visit
April 7-11, 1997 - U S

Five senior managers from NEK and municipal utilities traveled to Augusta and Portland, ME to see how metering, billing and public relations operations at Central Maine Power (CMP) are conducted. During this visit, customer service representatives from CMP shared their expertise in the development and implementation of a customer service accounting database, utility-customer relations, and the creation of a customer service center. Information gained from this visit will assist NEK in setting up customer service centers throughout Bulgaria.

Participants

- 1 Ivan Gueorguiev Ayolov, Head of the Transmission and Distribution Department, NEK
- 2 Hristo Boyanov Bahnev, Manager of Electricity Supply Branch, City of Pleven, NEK
- 3 Stoyan Todorov Stefanov, Chief Expert in the Electricity Supply Department, NEK
- 4 Slavka Vladimirova Anguelova, Chief Accountant of Electricity Supply Branch, City of Sofia, NEK
- 5 Youlia Kroumova Youroukova, Interpreter, Foreign Relations and Integration Department, NEK

2. Accounting Seminar
May 6-8, 1997 - Sofia

During this seminar, eighteen financial managers from NEK met with three representatives from Central Maine Power to discuss the finance and accounting procedures in place at U S utilities. The topics discussed included financial treasury and cash management, budgeting and management accounting systems, accounts receivable and revenue-related activities. The small group allowed for more focused discussion on the problems and issues confronting NEK.

Participants

High-level managers from NEK

3 Load Forecasting and Unit Commitment Executive Exchange Visit
August 18-22, 1997 - U S

This executive exchange visit enabled four managers from Bulgaria's National Dispatching Center to gain knowledge concerning load forecasting techniques, methods for calculating production costs, and power pool connection operations. The focus of the visit included determination of electricity demand under varying conditions, calculation of electric energy costs, and power pool functions and operations. Focused topics included short- and long-term forecasting, demand criteria, input data for cost calculations, fuel and O/M costs calculations, economic dispatching, and system reliability indicators. The delegation visited Pennsylvania-New Jersey-Maryland (PJM), Philadelphia Electric Company (PECO), Mid-Continent Area Power Pool (MAPP), Northern States Power Company (NSP), Wisconsin Power & Light Company (WP&L), ABB Systems Control (ABB), Carolina Power & Light Company (CP&L), and Public Service Electric & Gas Company (PSE&G).

Participants

- 1 Anguel Minev, Head of Generation Planning Department, NEK
- 2 Stefan Stefanov, Engineer, Load Forecasting, NEK
- 3 Lubomir Mintchev, Head of SCADA/EMS Department, NEK
- 4 Miroslav Damianov, Head of Operations Department, NEK

4 PSLF Software Upgrade Executive Exchange Visit
September 11-18,1997 - U S

This executive exchange visit allowed senior managers from NEK to meet with General Electric (GE) representatives in Las Vegas, Nevada to discuss and work on any problems their company has encountered while using GE's PSLF software. Afterwards, the two representatives visited electric utilities that employ this specific software to discuss with their U S counterparts the application of the software to varying circumstances. Following these visits, they traveled to Schenectady, New York and spent two days at General Electric's headquarters for more detailed instruction in the use of the new version of the PSLF software.

Participants

- 1 Nenko Gamov, Head of Department, Off-Line Software Development in Power System Analysis, NEK
- 2 Plamen Popov, Senior Expert, NEK

III. FUTURE PLANS

NEK will continue to be involved in future bilateral and Southern Tier-related activities of which there are several in the FY 1998 Workplan. These activities continue to center around compliance-related environmental issues, specifically, utility environmental management practices and emissions allowance trading experience.

**Utility Partnership Program
Annual Report
FY 1997 Activities**

MACEDONIA

I. SUMMARY AND RESULTS

ESM continued to participate actively in both regional activities and bilateral activities

II. ACCOMPLISHMENTS

Bilateral Activities

1 Human Resources Management Seminar
June 17-19, 1997 - U S

The purpose of this activity was to transfer to the ESM personnel department specific skills to upgrade human resource management functions such as improving employee expectations, conducting successful performance planning and review meetings, providing appropriate feedback to employees through the review process, assessing performance against agreed-upon results, and developing the overall expertise to motivate employees effectively. The activity consisted of two components, participation in the American Public Power Association Human Resource Workshop and visits to human resource management departments of U S electric utilities and other large corporations where topics introduced during the workshop were reviewed in detail.

Participants

30 high-level managers from various companies in Macedonia, including ESM

2 Hydropower Upgrade and Finance Technical Exchange Visit August 3-14, 1997 - U S

This technical exchange visit was designed to demonstrate to ESM managers how U S utilities plan on a daily, weekly, and annual basis for the efficient operation and maintenance of hydropower plants and equipment, as well as the options available for financing plant upgrades. The visit focused on the different tools employed in both short and long-term rehabilitation planning and financing of projects. The six ESM participants viewed first-hand the procedures and implementation of planned maintenance activities at Tennessee Valley Authority (TVA) and Salt River Project (SRP). The delegates also met with Harza Consulting, the International Finance Corporation (IFC), and U S Trade and Development Agency (USTDA) to understand the process for obtaining funding for the upgrade and rehabilitation of hydropower facilities. Participants also attended "Waterpower 97" in Atlanta to meet with various U S vendors and to learn about the latest technologies and advancements in the area of hydropower generation.

Participants

- 1 Dime Karovski, Director, Hydropower Electric Company "Tikvesh", ESM
- 2 Despot Kazandziovski, Director, Hydropower Electric Company, "Shpilje", ESM
- 3 Vasil Saveski, Deputy Director, Hydropower Electric Company, "Globochica", ESM
- 4 Ivan Kukovski, Maintenance Manager, Hydropower Electric Company "Tito", ESM
- 5 Aleksandar Sekerinski, Director, Power Transmission for Hydropower Plants, ESM
- 6 Nikola Martinoski, Director, Hydropower Electric Company "Matka", ESM

3 Financial Management Seminar September 23-25, 1997 - Struga

This seminar focused on accounting system practices and financial management policies, including how financial functions are changing as a result of the deregulation of the U S electric industry. Discussion topics included corporate organizational structure and corporate governance, financing methods, and evaluation of investments. Representatives from Central Maine Power, Bechtel Consulting, Nations Bank and Keith and Associates participated. The purpose of the seminar was to develop the capacity of senior level managers throughout ESM to understand fundamental principles of standard utility accounting systems.

Participants

25 high-level managers from ESM

III. FUTURE PLANS

ESM will continue to be involved in future bilateral and Southern Tier-related activities of which there are several in the FY 1998 Workplan. These activities continue to center around compliance-related environmental issues, specifically, utility environmental management practices and emissions allowance trading experience.

SOUTHERN TIER REGIONAL ACTIVITIES

1 **Regional Environmental Technology Evaluation Workshop** October 1-3, 1996 - Sofia

This regional workshop for RENEL, NEK, and ESM provided a follow-up to the March 1996 Regional Seminar on Environmental Technologies held in Sofia, Bulgaria. The workshop emphasized basic economic principles and case studies that encouraged participants to use applied economics to evaluate various technology options. Five participants from each of the three Southern Tier utilities participated in the workshop, and two of the five participants from each country formed a core working group to participate in future regional environmental activities in the Southern Tier region. Representatives of New York State Gas and Electric Corporation presented materials at the workshop.

2 **Power Plant Maintenance and Rehabilitation Technical Exchange Visit** December 2-12, 1996 - U.S.

This technical exchange visit demonstrated to Southern Tier plant managers how U.S. utilities plan on a daily, weekly, and annual basis for the efficient operation and maintenance of power plant equipment. The visit focused on the different tools employed in both short and long-term rehabilitation planning. Participants viewed first-hand the procedures and implementation of planned maintenance activities at power plants in Florida, Mississippi, and New York. Participants also visited the EPRI Monitoring and Diagnostic Center in Eddystone, Pennsylvania to learn about plant and equipment testing and evaluation processes and procedures. In addition, the delegates attended the International Power Generation Conference to hear about new strategies and technologies utilized regarding plant and equipment rehabilitation and maintenance.

Participants

Romania (RENEL)

- 1 Viorel Cotiga, General Director, Braila Thermal Power Plant
- 2 Ion Rad, Head of Maintenance Department
- 3 Stefan Gusti, General Director, Electric of Craiova Thermal Power Plant
- 4 Isaia Miulescu, Deputy Director, Thermal Power Plant Mintia

Bulgaria (NEK)

- 5 Bonyo Tiholov Bonov, Director, TPP Rousse
- 6 Gueorgy Stojanov Kirilov, Chief Engineer, TPP Bobov Dol
- 7 Plamen Venelinov Radev, Master Mechanic, TPP Bobov Dol
- 8 Katerina Gyokova-Guenovska, Interpreter

Macedonia (ESM)

- 9 Ljupco Trajkovski, Director, TPP Bitola
- 10 Lazo Klasninovski, Director, Globochica Power Plant
- 11 Mihajlo Atanasovski, Director of Distribution Unit, Prillep
- 12 Maja Dzartovska, Interpreter

3 Environmental Performance Technical Exchange Visit January 6-18, 1997 - U S

This technical exchange visit was a follow up to the two environmental technology evaluation seminars conducted for the Southern Tier countries in FY 1996 and 1997. The visit exposed senior electric utility managers to first-hand observation of environmental technologies in operation at U S electric utilities through the Clean Coal Conference, the Babcock and Wilcox Clean Environment Development Facility, EPRI's Environment Control and Technology Center at New York State Electric and Gas (NYSEG) Kintigh Station, and two power plants featuring Foster-Wheeler equipment. The visit also provided participants with an understanding of how economic cost-benefit analysis is applied to environmental performance upgrades, via case studies. This presentation was provided by Environment and Ecology Inc., an environmental consulting firm. Finally, the participants had the opportunity to compare and contrast different methodologies and technologies utilized in the U S related to clean coal when they attended the 5th Annual Clean Coal Technology Conference in Tampa.

Participants

Romania (RENEL)

- 1 Victorita Iordache, Engineer, Environmental Protection Department
- 2 Maria Anghel, Senior Engineer, Environmental Protection Department
- 3 Dumitru Bunescu, Head of Chemical and Combustion Office, Rovinari Cogeneration Plant
- 4 Mihai Dicu, Senior Engineer, Technical Department Braila Cogeneration Plant

Bulgaria (NEK)

- 5 Christo Shvabsky, Power Engineering Environmental Compliance
- 6 Mariana Raltcheva, Head of Productions and Technology Department Marista East 2
- 7 Dimitare Dimitrov, Chief Engineer, TPP Marista East 1

Macedonia (ESM)

- 8 Ljupco Tanatarec, Deputy General Manager, REK Bitola Power Plant
- 9 Milco Lutovski, Senior Engineer, REK Bitola Power Plant
- 10 Vlado Ilievski, Senior Engineer, REK Bitola Power Plant

4 Regulation and Rate Setting Seminar February 10-12, 1997 - Sofia

This seminar provided a general overview of the U S experience with regard to the practical elements of regulation, with emphasis on pricing issues. The seminar was attended by senior government and utility representatives from all three Southern Tier countries. The heads of the CEE government and utility delegations made presentations regarding regulatory reform in their countries. Speakers from the U S included representatives from D C Public Commission, the North Carolina Public Staff, the law firm of Long, Aldridge and Norman, and Mississippi Power Company.

Participants

Romania

- 1 Dumitru Barascu, Deputy General Director, Ministry of Industry and Trade
- 2 Anca Ioana Dobrica, Energy Expert, Ministry of Industry and Trade
- 3 Nicolae Stefan, Senior Expert, Ministry of Finance
- 4 Aurelia Voicu, Senior Inspector, Office for Competition
- 5 Dora Pencea, Head of the Strategy Department, RENEL
- 6 Ioana Perju, Senior Engineer, RENEL
- 7 Viorel Alicus, Senior Engineer, RENEL
- 8 Sarachis Arachelian, Economist, RENEL
- 9 Ileana Crainicu, Interpreter, RENEL

Macedonia

- 10 Nikola Cerepnalkovski, Assistant Minister, Ministry of Economy
- 11 Ruzdi Ibrahimov, Minister Advisor, Ministry of Economy
- 12 Ilija Kacarski, Inspector of Electroenergy Control of Macedonia, Ministry of Economy
- 13 Ljubica Stevkovska, Advisor for International Cooperation, Ministry of Economy
- 14 Mihajlo Trpkoski, Assistant General Manager, ESM
- 15 Vladimir Kochovski, Company Attorney, ESM
- 16 Zlatko Simonovski, Attorney of the Distribution Unit, ESM
- 17 Risto Pavlov, EPS Operator, ESM

Bulgaria

- 18 Ivanka Dilovska, Deputy Minister, Ministry of Energy
- 19 Bogdan Moussev, Head of Investment Policy Division, Ministry of Energy
- 20 Velislav Tzanov, Head of Economic Regulation Division, Ministry of Energy
- 21 Anzhela Arshinkova, Head of Legal Division, Ministry of Energy
- 22 Pavlin Nestorov, Energy Efficiency Division, Ministry of Energy
- 23 Krassimir Petrov, Head of Investment Policy Department, Ministry of Energy
- 24 Andrej Markov, Head of Power Generation Department, Ministry of Energy
- 25 Svetla Todorova, Head of Pricing Department, Ministry of Energy
- 26 Anguel Semerdjiev, Senior Expert - Restructuring and Concessions
- 27 Kozma Kouzmanov, General Director, NEK
- 28 Dora Minkovska, Executive Director on Finance, NEK
- 29 Dobrinka Dobreva, Head of Legal Department, NEK

- 30 Damian Hristov, Head of Budget Department, NEK
- 31 Todor Mihailov, Manager, NEK
- 32 Kiril Nikolov, Kozloduy NPP Manager, NEK
- 32 Gueorgui Simov, St Zagora PSB Manager, NEK
- 33 Stefan Apostolov, Pazardjik PSB Manager, NEK
- 34 Ivailo Dimitrov, Varna PSB Manager, NEK
- 35 Stoyan Stefanov, Chief Specialist, Power Supply Department, NEK
- 36 Mariana Markova, Specialist, Power Supply Branch, NEK
- 37 Vladimir Shıpochanski, Head of Department, Power Supply Branch, NEK

5 System Reliability Pricing Workshop
February 11-13, 1997 - Sofia

The objective of this seminar was to assist the Southern Tier electric utilities as they examine options with regard to system integration, either on an individual basis or as a region, with CENTREL, the grid system of Czech Republic, Slovak Republic, Poland, and Hungary, and UCPTe, the West European grid system, to which CENTREL has initiated membership. The seminar focused on the pricing, buying, and selling of electric power through power pooling and power marketing. The seminar was attended by representatives from the three Southern Tier utilities. The presentations by the U.S. speakers generated significant discussion and debate. The American speakers included independent consultants, and representatives of the North Carolina Public Staff and Mississippi Power Company.

Participants

Romania (RENEL)

- 1 Gabriela Vladescu, UPP Coordinator
- 2 Ana Maria Petrescu, Senior Engineer
- 3 Gheorghe Indre, Senior Advisor
- 4 Florea Vata, Head of the Technical Division
- 5 Florin Gugu, Senior Engineer - Head of Tariff Compartment
- 6 Gheorghe Radoveanu, Senior Economist National Power Dispatching
- 7 Ion Zarnescu, Head of Planning Department
- 8 Victor Cambureanu, Senior Engineer, National Power Dispatching
- 9 Gheorghe Oprea, Senior Economist Financial and Asses Division
- 10 Valeriu Lazu, Director, Transmission and Distribution Branch
- 11 Andrei Florea, Senior Economist- Import Division

Macedonia (ESM)

- 12 Sonja Petrova, Chief of Protocol
- 13 Mile Milosevski, Head of Oslomej Mine - TTP Oslomej
- 14 Kiril Samardzski, Senior Engineer
- 15 Zivko Mancev, Head of Unit
- 16 Svetlana Petrova, Head of Department
- 17 Blagoj Jankov, Deputy Director

- 18 Gjure Pannovski, Senior Engineer
- 19 Zara Trpkovski, Director of Gostivar Unit

Bulgaria (NEK)

- 20 Dora Minkovska, Executive Director - Financial Activity
- 21 Todor Milanov, Chief Dispatcher - National Dispatching
- 22 Miroslav Damianov, Chief Expert on Generation Planning Department
- 23 Ljudmila Todorova, Chief Expert Generation Planning Department
- 24 Stojan Stefanov, Chief Expert
- 25 Vassil Anastassov, Executive Director, Power Generation, Transmission & Distribution
- 26 Angel Sotirov, General Manager - National Dispatching
- 27 Angel Minev, Head of Generation Planning Dep - National Dispatching
- 28 Nikola Dimitrov, Chief Expert in Generation Planning Dept
- 29 Ivan Aiolov, Head Department -Power Supply Department
- 30 Nadka Popova, Expert
- 31 Damjan Hristov, Head of Department
- 32 Lili Ivanova, Expert
- 33 Mihail Stoiko, Expert
- 34 Plamen Stoimenov, Financial Department
- 35 Maria Kaneti, Expert - Foreign Relation Department

6 World Energy Council Regional Workshop on the Economics of Improving Electric Power Performance
May 19-21, 1997 - Prague

The purpose of this workshop was to provide an opportunity for power plant managers from the Central and Southern Tier regions and Russia, and who are responsible for the performance of fossil-fired generation plants, to meet with their counterparts from the U S and Western Europe, as well as Africa and Asia, for the purpose of the exchange of information regarding methodologies for improving power plant performance and availability. Presentations focused on measures conducted at fossil plants in these regions to improve plant availability rates, thermal efficiency, fuel usage, environmental control technologies, and to obtain project financing. This activity was implemented in conjunction with the World Energy Council's Committee on the Performance of Thermal Generating Plants and was in part hosted by CEZ.

Participants

Romania (RENEL)

- 1 Boris Bobu, Deputy Director
- 2 Aurel Leconte, Project Manager
- 3 Paul Traian Ilescu-Saligny
- 4 Radu Zamea, Senior Engineer

Bulgaria (NEK)

- 1 Yanko Anguelov, Member of the Board
- 2 Ljubomir Kaloferov, Head, Research and Development
- 3 Blaga Varbanova, Specialist

Macedonia

- 1 Dzvko Soklevski, Electrical Engineer, REK Bitola
- 2 Mihail Stratevski, Electrical Engineer, REK Bitola
- 3 Bratica Temelkoska, Electrical Engineer, REK Oslomej

7 Chief Executive Officer Executive Exchange Visit

June 9-13, 1997 - U S

The purpose of this visit was for the chief executive officers (CEOs) from CEE electric utilities to discuss with their counterparts in the U S issues of mutual concern regarding the strategic management and operation of privately-owned electric power companies. The CEOs attended the Edison Electric Institute's Annual Convention in Philadelphia, Pennsylvania where both global and national issues regarding industry restructuring, deregulation, and finance were discussed. After the convention, the Slovak and Hungarian delegates visited PECO Electric Company in Pennsylvania to discuss open transmission access, and Moody's and Smith Barney in New York City to discuss rating requirements and investment opportunities. The Polish delegation also visited Moody's and Smith Barney, but also came to Washington, DC to meet with USAID representatives, and attended a briefing by USEA and Hagler Bailley. The Bulgarian delegates visited PECO Electric Company and Central Maine Power in Maine, their U S utility partner. Participants

Romania (RENEL)

- 1 Aureliu Leca, President and General Manager
- 2 Gheorghe Mazilu, Director, Group for Transmission and Distribution of Electric Power
- 3 Jean Constaninescu, Senior Advisor, Member of the Corporate Reform and Restructuring Committee

Bulgaria (NEK)

- 1 Angel Sotirov, General Manager of National Dispatching
- 2 Danail Tafrov, Member, Managing Board
- 3 Yanko Angelov, Member, Managing Board

Macedonia (ESM)

- 1 Pande Lazarov, General Manager
- 2 Strazo Bucevski, State Electricity Inspector, Ministry of Economy
- 3 Sonja Petrova, Chief of Protocol

8 Environmental Project Finance and Technologies Executive Exchange Visit
September 22-30, 1997 - U S

As a capstone to the Regional Environmental Program for the Southern Tier Countries, the Environmental Technologies and Finance Seminar built upon the information presented in the previous environmental technology evaluation seminars and provided for discussions of financing of environmental performance upgrades. U S electric utility representatives presented case studies of successful projects undertaken with outside sources of capital. Presentations covered strategies to attract capital, fundamentals of project finance and management, and the role of private investors in the implementation of such projects. Financial and environmental managers from Southern Tier electric utilities had the opportunity to bring information regarding specific projects scheduled for upgrade but lacking financial resources to the seminar for U S participants to review and discuss with regard to strategy development for implementation.

Participants

Romania (RENEL)

- 1 Tutuianu Ovidiu, Senior Engineer, Head of Department for Environmental Protection
- 2 Elena Ataman, Senior Chemist, Head of Environmental Office-Production Group
- 3 Alexandra Catana, Senior Economist, Group for Development and Rehabilitation
- 4 Voronca Simona, Senior Engineer, International Affairs Department

Bulgaria (NEK)

- 5 Todor Ivanov, Member, Board of Directors
- 6 Yordan Chukarski, Manager, Vidin Electrical Supply Branch
- 7 Vesselin Shiderski, Expert, Ministry of Environment and Water
- 8 Katerina Gyokova, Interpreter, Foreign Relations and Integration Department

Macedonia (ESM)

- 9 Eremija Miroeski, Deputy Director
- 10 Dobrila Stefanoska, Director of Finance
- 11 Koce Naumovski, Senior Engineer

BALTIC REGION

LATVIA

LITHUANIA

ESTONIA

**Utility Partnership Program
Annual Report
FY 1997 Activities**

LATVIA

I SUMMARY AND RESULTS

Latvenergo continued to participate actively in both regional activities and bilateral activities. Bilateral activities between Latvenergo and its partner Central Vermont Public Service Company will continue until the conclusion of the Utility Partnership Program in September, 1998.

II ACCOMPLISHMENTS

Bilateral Activities

1 Human Resources Management Executive Development Activity
May 5 - 15, 1997 - U S

The purpose of this activity was to transfer human resource management skills to the Latvenergo personnel department. Topics included the improvement of employee expectations, conducting successful performance planning and review meetings, providing appropriate feedback to employees through the review process, assessing performance against agreed-upon results, and developing the overall expertise to motivate employees effectively. Delegates participated in the American Public Power Association Human Resource Workshop and visited the human resource management departments of Orlando Public Utility Commission, and Smith Barney, Inc. where topics introduced during the workshop were reviewed in detail.

Participants

- 1 Mr. Gunars Jemeljanovs, Executive Director, Human Resources, Latvenergo
- 2 Mr. Leons Dupats, Director, Human Resources, Latvenergo

2 Regulatory Seminar for the Latvian Energy Regulatory Council
June 12-13, 1997 - Riga

The purpose of this seminar was for U S ratemaking experts to discuss specific electric utility ratemaking methodologies with representatives of the Latvian Energy Regulatory Council, Licensing Office, Anti-Monopoly Commission and Ministry of Economy. The seminar focused on incentive-based ratemaking (RPI-X) in support of World Bank recommendations to Latvenergo and the Government of Latvia. U S speakers included state public utility commissioners from Illinois and Maine who are experienced with incentive-based rate-making.

Participants

20 Representatives from the Latvian Energy Regulatory Council

3 Hydropower Upgrade and Finance Technical Exchange Visit
August 3-14, 1997 - U S

This technical exchange visit demonstrated to senior hydropower plant managers at Latvenergo how U S utilities efficiently operate and maintain hydropower plant equipment. The visit focused on the different tools employed in both the short and long-term rehabilitation planning and financing of projects. Participants observed the procedures and implementation of planned maintenance activities at Tennessee Valley Authority and Salt River Project. The delegates also met with Harza Consulting, the International Finance Commission, and U S Trade and Development Agency to understand the process for obtaining the financing to upgrade and rehabilitate their facilities. In addition, the participants attended Waterpower 97 in Atlanta in order to meet with U S vendors and learn about the latest technologies and advancements in hydropower generation.

Participants

- 1 Mr Aivars Francovics, Director, Latvenergo
- 2 Mr Edvins Dunins, Deputy Director, Latvenergo
- 3 Mr Aigars Rozentals, Head of Laboratory, Latvenergo
- 4 Mr Ilmars Stuklis, Executive Director, Latvenergo

4 Finance and Investment Executive Exchange Visit
September 3-17, 1997 - U S

This visit built upon both the Baltic Regional Finance and Investment seminar the UPP conducted last March in Vilnius and the Baltic Finance and Investment Executive Exchange Visit to the U S last October. The purpose of this activity was to discuss the capital budgeting process, and financial planning policies and procedures of U S electric utilities, in addition to the range of finance mechanism available to utilities. Four senior executives responsible for financial management for Latvenergo visited several investor-owned electric utilities including Central Maine Power, Bangor Hydro-Electric Company and Tucson Electric Power Company. The delegation also participated in the American Public Power Association course "Public

Utility Accounting” which covered financial statement development, sources of funds, and long-range utility financial planning

Participants

- 1 Mr Leons Marcinkus, Chief Accountant, Latvenergo
- 2 Mr Louri Ryvkin, Deputy Head of Department, Latvenergo
- 3 Mr Vilnis Antsons, Project Manager, International Relations Department, Latvenergo
- 4 Mr Aigars Melko, Deputy Director, Latvenergo

III. FUTURE PLANS

Latvenergo will continue to be involved in future bilateral and Baltic Region-related activities of which there are several in the FY 1998 Workplan. These activities continue to center around compliance-related environmental issues, specifically, utility environmental management practices and emissions allowance trading experience.

**Utility Partnership Program
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LITHUANIA

I ACTIVITY RATIONALE/BACKGROUND

Lietuvos Energija continued to participate actively in both regional activities and bilateral activities. Bilateral activities between Lietuvos Energija and its partner Alabama Power Company will continue until the conclusion of the Utility Partnership Program in September, 1998.

II. MAJOR IMPLEMENTATION ACCOMPLISHMENTS

Bilateral Activities

1 Information Technologies Internship
October 20-November 9, 1996 - U S

This internship enabled Lietuvos Energija to implement a Geographic Information System (GIS), thus combining funds the company received from EC PHARE with a UPP internship. Given its coordination of GIS applications in the U S, Alabama Power Company was the ideal company to discuss this technology with the Lithuanian specialists. The specialists also focused on new SCADA systems which the Lithuanian power company plans to implement through a World Bank loan. Finally, the internship addressed dispatch operations and how the GIS database is used to identify exact locations of faults, leaks, and other damage. During the three week internship, the Lithuanian delegation also participated in the Environmental Systems Research Institute (ESRI)'s Electrical and Gas Users Meeting, October 21-23.

Participants

Representatives from Lietuvos Energija

Petras Jonaitis, Head of SCADA and EMS Department, Lietuvos Energija
Vaidas Nargelas, Deputy Chief of SCADA, Lietuvos Energija
Raimundas Plukas, Engineer, Lietuvos Energija

2 Public Relations Seminar
July 22-24, 1997 - Vilnius

The purpose of this seminar was to assist Lietuvos Energija's newly-created public relations departments in the development of an effective public relations department and in the development and implementation of company-side public relations policies and strategies. Four senior representatives from the public and governmental relations departments from Alabama Power Company participated as speakers during this three-day seminar. Topics covered included governmental relations, corporate relations, customer relations and media relations. As a special request, three key managers from Eesti Energia's public relations department working on similar issues, also attended the seminar.

Participants

Twenty-nine senior-level public relations managers from Lietuvos Energija

3 Public Relations Executive Exchange
September 22-October 1, 1997 - U S

This 10-day visit was a follow-up to a focused seminar on public relations conducted in Vilnius in July. Two representatives from the public relations department of Lietuvos Energija spent one week at Alabama Power discussing public relations strategies with regard to governmental, corporate, customer and media relations. Following the meetings with Alabama Power, the delegation met with several public relations firms specializing in issues related to electric utilities.

Participants

Arunas Stasionis, Public Relations Manager, Lietuvos Energija
Daiva Simukonyte, Public Relations Manager, Lietuvos Energija

III. MAJOR ISSUES OR PROBLEMS

Lietuvos Energija will continue to be involved in future bilateral and Baltic Region-related activities of which there are several in the FY 1998 Workplan. These activities continue to center around compliance-related environmental issues, specifically, utility environmental management practices and emissions allowance trading experience.

IV. FUTURE PLANS

1 Finance and Investment Executive Exchange Visit March 22-28, 1998 - U S

Four senior financial managers from Lietuvos Energija will come to the U S to discuss corporate financial strategy and investor relations. The goal of this activity is to promote foreign investment in Lithuania's electric power sector.

2 Regional Restructuring and Privatization of Electric Utilities Symposium April 21-23, 1998 - Riga, Latvia

Five representatives from U S law firms, utilities, and regulatory agencies and others involved in electric power industry restructuring and privatization will travel to Latvia to implement this Symposium. Topics to be covered include electric power restructuring and privatization experiences worldwide and their impacts on electric utility organization and management, key aspects of successful policy implementation, how to attract foreign investment. The goal of this activity is to promote the establishment of an electric power regulatory framework which promotes privatization and restructuring, and encourages private investment in the region's power sector. This is a regional activity, and will be attended by participants not only from Lithuania, but also from Latvia and Estonia.

3 Public Relations Seminar May 19-21, 1998 - Vilnius, Lithuania

Four public communications managers from Alabama Power will deliver this Seminar. The Seminar will focus on public relations corporate communication strategies.

4 Baltic Regulatory Roundtable July 14-16, 1998 - Vilnius, Lithuania

Five representatives from U S regulatory agencies and electric utilities will discuss current status of regulatory reform in the Baltic region regarding implementation of licensing, tariffs, and pricing policies. The goal of this Roundtable is to promote the establishment and effective operation of electric power regulatory agencies in the Baltic region.

**Utility Partnership Program
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FY 1997 Activities**

ESTONIA

I SUMMARY AND RESULTS

Eesti Energia continued to participate actively in regional activities

II. ACCOMPLISHMENTS

Bilateral Activities

None

III. FUTURE PLANS

Eesti Energia will continue to be involved in future Baltic Region-related activities of which there are several in the FY 1998 Workplan. These activities continue to center around compliance-related environmental issues, specifically, utility environmental management practices and emissions allowance trading experience.

BALTIC REGIONAL ACTIVITIES

1 Regulation and Rate Setting Seminar for the Baltic Countries October 15-17, 1996 - Riga

This seminar provided a general overview of the range of issues which economic regulation impacts in the U S , rate making methodology and tariff structures, licensing, open access transmission, integrated resource planning, independent power, environmental regulation, and economic development. The first day of the seminar consisted of an overview of several topics related to regulation, reforms, and restructuring. The second and third days of the seminar discussed in detail U S regulation, the methods and procedures of rate setting, licensing in the EU, applicability of regulation in the Baltics and other topics. U S speakers included Donald Storm, Commissioner, Minnesota Public Utilities Commission, Julie Jorgensen, Northern States Power Company, Luis Gutierrez, World Bank, and Kate Baragona, Regulatory Specialist, Hunton and Williams.

Participants

Forty regulators, ministry personnel, and electric utility representatives from Latvia, Lithuania and Estonia

2 Finance and Investment Executive Exchange Visit for the Baltic Countries October 22-November 2, 1996 - U S

This 11-day program introduced senior financial executives from Eesti Energia, Latvenergo, and Lietuvos Energija to many of the leading U S finance and investment players in the global market. The purpose of these meetings was to introduce methods on how to attract foreign investment. Meetings were also held with Northern States Power which focused on general U S utility financial practices. Meetings were held with large Wall Street investment firms including Merrill Lynch and Smith Barney, investment banks including Chase Manhattan Bank and Legg Mason, rating agencies including Standard & Poor's and Moody's, and the World Bank.

Participants

Latvia (Latvenergo)

- 1 Mr Iouri Ryvkine - Deputy Head of Investment Department
- 2 Ms Baiba Bartkevica - Head of Investment Department
- 3 Ms Dzidra Grike - Head of Finance Department

Lithuania (Lietuvos Energija)

- 4 Vinciuonas Virgilijus, Deputy General Director
- 5 Vytaute Matkeviciute, Head of Finance Department
- 6 Gediminas Volskis, Head of Economics Department
- 7 Arvydas Mereskevicius, Deputy Head, International Relations Dept

Estonia (Eesti Energia)

- 8 Tarmo Mere, Deputy Director, Northern Electric Networks
- 9 Helle Malk, Chief Accountant, Viru Electric Networks
- 10 Tarvo Armus, Chief Accountant, Electric Networks of the Estonian Islands
- 11 Tarmo Tuusk, Financier, SE Eesti Energia

3. Baltic Finance and Investment Seminar

March 25-27, 1997 - Vilnius

The purpose of the seminar was to introduce the U S methods of financial management in an effort to assist the three Baltic utilities in attracting financial resources to the region. Topics included the development and analysis of a financial statements, the organization and management of a utility, of financial department, the capital budgeting process, the development of a strategic financial plan, the evaluation of capital investments, and the process of attracting foreign investment. Delegates included 30 senior and mid-level managers from the financial and investment departments of Eesti-Energia, Latvenergo and Lietuvos Energija. Speakers included the manager for strategic planning and the manager of capital budgeting and system support from New York State Electric and Gas, a Vice President from the investment firm of Smith Barney, and Leonard Hyman, a former First Vice President for Merrill Lynch.

Participants

Latvia (Latvenergo)

- 1 Baiba Bartkevica, Manager, Investment Department
- 2 Eleonora Bondarenko, Chief Economist
- 3 Andris Cakuls, Deputy Director, Electric Network
- 4 Raivo Eglitis, Financier
- 5 Dzidra Grike, Manger of Finance Department
- 6 Vesma Lubarte, Accountant
- 7 Beatrise Slage, Deputy Manager, Economy Department
- 8 Edite Taunina, Economist
- 9 Indra Tukuma, Coordinator, International
- 10 Edvins Volts, Director

Lithuania (Lietuvos Energija)

- 11 Janina Gorskyte, System Analyst
- 12 Gintare Jabconskiene, Accountant
- 13 Vytenis Liudas Linkevicius, Senior Engineer, Strategy Department
- 14 Vytaute Genovaite Matkeviciute, Head, Finance Department
- 15 Irena Siliekiene, Deputy Head, Finance Department
- 16 Regina Sinkeviciute, Specialist, International Department
- 17 Zita Veromejiene, Specialist, Financial Project Evaluation
- 18 Virgilijus Zukauskas, Head of Strategy Department

Estonia (Eesti Energia)

- 19 Tarvo Armus, Chief Accountant, Electric Networks of Islands
- 20 Tanel Kaasik, Financier
- 21 Aivar Kuttim, Manager, Finance Department
- 22 Tarmo Mere, Deputy Director, Northern Electric Networks
- 23 Monika Magi, Economist, Tallin Electric Networks
- 24 Raivo Rebane, Manger of Finance Division
- 25 Vello Vare, Manager, Jogeva Electric Networks

4 Baltic Regulatory Executive Exchange Visit

April 7-17, 1997 - U S

Senior representatives from the newly forming regulatory and pricing organizations and regulatory specialists from the national electric utilities of Estonia, Latvia and Lithuania participated. The purpose of the visit was to discuss U S electric utility regulatory practices and the restructuring of the U S electric utility industry in light of similar changes being proposed for the Baltic countries. Meetings were held with commissioners and staff representatives from the Federal Energy Regulatory Commission, the state public utility commissions of California, the District of Columbia, Massachusetts and Oregon, and the regulatory departments of Portland General Electric Company and PacifiCorp.

Participants

Latvia

- 1 Mr Andris Cakuls, Deputy Director of Sales, Electric Network, Latvenergo
- 2 Ms Beatrise Slage, Deputy Manager, Economics Department, Latvenergo
- 3 Ms Zaneta Salmane, Economist, Latvenergo
- 4 Ms Valija Baltina, Deputy Director of the Energy Department, Ministry of Economy
- 5 Mr Andris Grinbergs, Member, Energy Regulatory Council
- 6 Mr Maris Berzins, Director of the License Office, Energy Regulation Council
- 7 Mr Indulis Nollendorfs, Head, Heat and Supply Licensing Division, Energy Regulation Council
- 8 Ms Ruta Vanaga, Senior Economist, Tariff Division, Energy Regulation Council

Lithuania

- 9 Vygintas Sidzikauskas, Vice-Chairman, State Control Commission for Energy Pricing and Energy Activities
- 10 Jaunutis Anelauskas, Commissioner, State Control Commission for Energy Pricing and Energy Activities
- 11 Giedre Glinskiene, Chief, Energy Reform Division, Ministry of National Economy
- 12 Sarunas Pajarskas, Division Chief, State Competition and Consumer Rights Protection Commission
- 13 Eduardas Vilkas, Chairman, Privatization Commission
- 14 Zenonas Ruzinskas, Deputy Director General, Privatization Commission
- 15 Rimantas Sukys, Deputy Head of Economics Department, Lietuvos Energija
- 16 Jonas Murauskas, Head of Electricity Sales Department, Lietuvos Energija

Estonia

- 17 Tii Tamm, Head, Department of Energy Economics, Ministry of Economic Affairs
- 18 Elle Marie Koppel, Head, Department of Energy Policy, Ministry of Economic Affairs
- 19 Robert Kimmel, Legal Expert, Ministry of Economic Affairs
- 20 Kersti Viira, Manager of Financial Planning Department, Eesti Energia
- 21 Arne Arop, Deputy General Director, Southern Electrical Networks, Eesti Energia
- 22 Veljo Treier, Chief Specialist, Department of Tariffs and Accounts, Eesti Energia
- 23 Vesa Lappalainen, Legal Advisor to the Estonian Government

5 Energy Efficiency Executive Exchange Visit June 7-19, 1997 - U S

The purpose of this program was to introduce U S energy efficiency technologies and practices to key senior executives from Latvenergo and Lietuvos Energija responsible for the planning and implementation of energy efficiency programs. The ten-day program featured site visits to power plants utilizing energy efficient technologies and in-depth discussions with U S companies that conduct research as well as manufacture such technologies. The program included visits to San Francisco to meet with the Electric Power Research Institute and Pacific Gas & Electric, and Minneapolis to meet with Honeywell and Northern States Power. Delegates also participated in the seventh annual USEA/Johnson Controls Energy Efficiency Forum on June 17 in Washington D C. This one-day conference was attended by representatives from many of the leading U S energy efficiency companies.

Participants

Latvia (Latvenergo)

- 1 Martins Kalejs, Deputy Director
- 2 Janis Shisans, Deputy Director
- 3 Eriks Zusmanis, Deputy Director

Lithuania (Lietuvos Energija)

- 4 Rimantas Milisauskas, Management Director
- 5 Jurgis Dumbrava, Commercial/Economic Activities Director
- 6 Kazys Kaikaris, Advisor to the General Director

6 Chief Executive Officer Executive Exchange Visit
June 9-13, 1997 - U S

The purpose of this visit was for the chief executive officers (CEOs) from CEE electric utilities to discuss with their counterparts in the U S issues of mutual concern regarding the strategic management and operation of privately-owned electric power companies. The CEOs attended the Edison Electric Institute's Annual Convention in Philadelphia, Pennsylvania where both global and national issues regarding industry restructuring, deregulation, and finance were discussed.

Participants

Latvia (Latvenergo)

- 1 Edgard Birkans, President
- 2 Ralfs Jansons, Head, International Relations Department

Lithuania (Lietuvos Energija)

- 3 Rimvydas Ruksenas, General Director
- 4 Arturas Dainius, Head, International Relations Department

Estonia (Eesti Energia)

- 5 Uudo-Rein Lehtse, General Director
- 6 Vaino Milt, Director, Energy Sales Enterprise

7 Baltic Regional Ratemaking Workshop
June 17-19, 1997 - Riga

This three-day Workshop was a follow-up to a seminar on regulation and ratemaking held in Riga in October. The purpose of this workshop was to discuss various ratemaking methodologies. Discussions focused on the evolution and development of a range of methodologies and their implementation. Other topics covered during the workshop included the organizational structure, administration and management of a U.S. state public utility commission, and the relationship between state public utility commissions and the companies they regulate.

Participants

Over fifty representatives from the regulatory agencies, government ministries and electric utilities of Estonia, Latvia and Lithuania